

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Pages 1 of 3

| Grantor Agency and Grant Title | Federal CFDA Number | Grant Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---------------------------|-----------------|--|-------------------------|
| U.S. Department of Housing and Urban Development | | | | |
| Direct | | | | |
| Low Income Housing Assistance Programs: | | | | |
| Section 8 Housing Choice Vouchers | 14.871 | NM057V0 | | \$ 13,717,403 |
| Public and Indian Housing - Seybold | 14.850 | NM05-001 | | 56,546 |
| Public Housing Capital Fund | 14.872 | NM02P05750100 | | 38,853 |
| Section 8 New Construction and Substantial Rehab | 14.182 | NM020003014 | | 153,239 |
| Disaster Voucher Program | 14.DVP | | | 36,126 |
| Total Direct Assistance | | | | 14,002,167 |
| Pass-Through Programs From: | | | | |
| NM Mortgage Finance Authority: | | | | |
| HOME Investments Partnership Program | | | | |
| 2000 Homes | 14.239 | | 99-01-BCH-HDR-001 | 395,128 |
| Total Indirect Assistance | | | | 395,128 |
| Total U.S. Department of Housing and Urban Development | | | | 14,397,295 |
| U.S. Department of Transportation | | | | |
| Direct | | | | |
| Isleta Phase II | 20.205 | | TCSE-021-Q69/92D | 7,580 |
| Total Direct Assistance | | | | 7,580 |
| Pass-Through Programs From: | | | | |
| NM Department of Transportation: | | | | |
| Highway Planning and Construction: | | | | |
| Edith Blvd Phase II | 20.205 | | STP7501 (13) | 45,156 |
| Isleta Phase II Right of Way | 20.205 | | TPU-CAQ-4009(3)26 | 27,240 |
| Isleta Phase II | 20.205 | | SB-NM05-001-(08) | 130,949 |
| Eubank Right of Way | 20.205 | | TPU-4063(5)7 | 8,000 |
| Isleta - Debt Principle Payment | 20.205 | | TPU-4009(3)24 | 1,889,320 |
| Isleta - Debt Interest | 20.205 | | TPU-4009(3)24 | 50,680 |
| | | | | 1,951,345 |
| State and Community Highway Safety | | | | |
| Click it or Ticket | 20.600 | | 08-OP-CT-008 | 9,436 |
| DWI Officer Project | 20.600 | | 07-AL-03-008 | 117,125 |
| DWI Officer Project | 20.600 | | 05-AL-03-008 | 29,349 |
| | | | | 155,910 |
| National Highway Safety Administration | | | | |
| Operation DWI | 20.608 | | 08-AL-64-008 | 99,046 |
| Traffic Records Improvement & Development | 20.608 | | 08-HE-64-P13J | 115,500 |
| TWS Operation DWI | 20.608 | | 07-AL-64-008 | 71,119 |
| Impaired Driving Demonstration Project | 20.608 | | 07-AL-FTE164-008 | 153,846 |
| | | | | 439,511 |
| Safety Belt Performance Grants | | | | |
| 100 Days & Nights | 20.609 | | 07-PT-DS-008 | 25,000 |
| Selective Traffic Enforcement Program (S.T.E.P.) | 20.609 | | 07-PT-K4-008 | 33,274 |
| Operation Buckle Down | 20.609 | | 08-OP-06-008 | 14,660 |
| Selective Traffic Enforcement Program (S.T.E.P.) | 20.609 | | 08-PT-06-008 | 46,921 |
| | | | | 119,855 |
| NM Department of Public Safety: | | | | |
| 2007 Hotzone Conference | 20.700 | | 2007 Hotzone Letter of Agreement | 5,201 |
| Total Indirect Assistance | | | | 2,671,822 |
| Total U.S. Department of Transportation | | | | 2,679,402 |
| U.S. Department of Agriculture | | | | |
| National School Lunch Program | | | | |
| Pass-Through Programs From: | | | | |
| NM Children, Youth and Families Department: | | | | |
| Summer Food Service Program for Children 05 | 10.559 | | 3004 | 146,153 |
| Total U.S. Department of Agriculture | | | | 146,153 |
| Executive Office of the President; Office Nat'l Drug Control Policy | | | | |
| Direct | | | | |
| High Intensity Drug Trafficking Area (HIDTA) | UNKNOWN | I4PSNP578Z | | 9,434 |
| HIDTA | UNKNOWN | I5PSNP578Z | | 75,529 |
| HIDTA | UNKNOWN | I6PSNP578Z | | 326,035 |
| HIDTA | UNKNOWN | I7PSNP578Z | | 437,450 |
| Total Executive Office of the President | | | | 848,448 |

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

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| Grantor Agency and Grant Title | Federal CFDA Number | Grant Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|---------------------|-------------------|--|----------------------|
| U.S. Department of Justice | | | | |
| Direct | | | | |
| Bulletproof Vest Partnership Program | | | | |
| Bullet Proof Vest | 16.607 | | | 9,716 |
| Gang Resistance Education and Training | | | | |
| Gang Resistance and Education Training (G.R.E.A.T.) | 16.737 | 2006JV-FX-0055 | | 25,853 |
| Public Safety Partnership and Community Policing Grants | | | | |
| COPS UNIV HIRING | 16.710 | | | 355 |
| COPS AHEAD program | 16.710 | | | 217 |
| COPS MORE Grant | 16.710 | 96CMX1010 | | 19,348 |
| COPS Methamphetamine Training Initiative | 16.710 | 2004CKWX0398 | | 17,724 |
| COPS Technology Initiative | 16.710 | 2005CKWX0206 | | 123,330 |
| COPS 2006 Technology | 16.710 | 2006CKWX0367 | | 293,388 |
| | | | | <u>454,362</u> |
| Total Direct Assistance | | | | <u>489,931</u> |
| Pass-Through Programs From: | | | | |
| NM Department of Public Safety: | | | | |
| Office of Emergency Management: | | | | |
| Three-Year Exercise Plan for OEM | 16.007 | | 2003-MU-T3-0047 | 28,327 |
| 2007 EMPG Training | 16.007 | | 2003-TE-TX-0193 | 13,285 |
| | | | | <u>41,612</u> |
| City of Albuquerque: | | | | |
| E. Byrne Justice Assistance Grant (JAG) 2005 | 16.738 | 2005 JAG | 2005-F1723-NM-DJ | 26,951 |
| E. Byrne Justice Assistance Grant (JAG) 2006 | 16.738 | 2006 JAG | 2006-F1861-NM-DJ | 19,197 |
| E. Byrne Justice Assistance Grant (JAG) 2007 | 16.738 | 2007 JAG | 2007-F6659-NM-DJ | 156,177 |
| | | | | <u>202,325</u> |
| Juvenile Accountability Incentive Block Grant | 16.523 | FY07 SAFE Program | 07-690-1406 | 30,755 |
| NM Children, Youth and Families Dept: | | | | |
| CCMHC Program Coordinator | 16.501 | 2003JBBX0003 | 06-690-7000-7174 | 323 |
| CYFD 2007 IGA Interface | 16.501 | | 07-690-7000-3879 | 256 |
| CYFD Continuum Grant | 16.501 | | 08-690-6365 | 132,832 |
| | | | | <u>133,411</u> |
| New Mexico Dept. of Public Safety: | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | | | | |
| Drug Control & System Improvement | 16.738 | | 07-JAG-MRGV | 192,097 |
| Drug Control & System Improvement | 16.738 | 2006-DJ-BX-0054 | 06-JAG-REG1-MRGVTF-FY07 | 113,361 |
| Southwest Investigative Fugitive Team | 16.738 | | 07-JAG-SWIFT-FY08 | 28,542 |
| Southwest Investigative Fugitive Team | 16.738 | 2005-DJ-BX-0839 | 05-JAG-PPA-02-SWIFT-FY06 | 24,356 |
| Southwest Investigative Fugitive Team | 16.738 | 2006-DJ-BX-0054 | 06-JAG-SWIFT-FY07 | 45,506 |
| | | | | <u>403,862</u> |
| Community Prosecution and Project Saafe Neighborhoods | | | | |
| Gun Violence Reduction | 16.609 | 2007-GP-CX-0066 | 07-PSN-BCSO-FY08 | 522 |
| Anti-Gang Initiative | | | | |
| Gang Reduction | 16.744 | 2007-PG-BX-0082 | 07-Anti-Gang-BCSO-FY08 | 12,129 |
| Total Indirect Assistance | | | | <u>824,616</u> |
| Total U.S. Department of Justice | | | | <u>1,314,547</u> |
| U.S. Department of Homeland Security | | | | |
| Pass-Through Programs From: | | | | |
| NM Department of Public Safety: | | | | |
| Homeland Security Grant-Cluster | | | | |
| 2004 US Homeland Security | 97.067 | | 2004-GE-T4-0005 | 3,139 |
| 2005 Buffer Zone Protection | 97.067 | | 2005-GR-T5-0029-Bernalillo | 49,990 |
| 2005 Homeland Security / Fire Marshalls Office | 97.067 | | 2005-GE-T5-0012-BERNALILLO | 1,122,435 |
| 2006 Homeland Security | 97.067 | | 2006-GE-T6-0064-Bernalillo | 16,012 |
| World Conf Disaster Mgt. Canada | 97.004 | | 2004-GE-T4-0005 | 6,099 |
| | | | | <u>1,197,675</u> |
| 2007 Hazmat Explo | 97.703 | | 2007 Hazmat Explo Letter of Agreeeme | 6,708 |
| State Domestic Preparedness Equipment Support | | | | |
| Total U.S. Department of Homeland Security | | | | <u>1,204,383</u> |

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

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|---|----------------------------|---------------------|---|-----------------------------|
| U.S. Department of Interior | | | | |
| Direct | | | | |
| Bureau of Reclamation | | | | |
| Water Conservation | 15.UNKNOWN | 06-FG-40-2484 | | 3,693 |
| Total U.S. Department of Interior | | | | <u>3,693</u> |
| U.S. Environmental Protection Agency | | | | |
| Direct | | | | |
| Community Action for a Renewed Environment | 66.035 | | | 10,320 |
| South Valley Sewer | 66.606 | XP-986861 | | 6,166,969 |
| Total U.S. Environmental Protection Agency | | | | <u>6,177,289</u> |
| U.S. Department of Health and Human Services | | | | |
| Direct | | | | |
| SV Health Commons Ph II | 93.887 | C76HF06977-01-00 | | 1,699,833 |
| Pass-Through Programs From: | | | | |
| NMDH Epidemiology & Response Div | | | | |
| SV Health Commons PhII | 93.887 | | JPA | 210,743 |
| Rio Grande Community Development Corporation, Inc. | | | | |
| SV Partners for Environmental Justice | 93.113 | | I R25 ES014347-01 | 2,635 |
| Total U.S. Department of Health and Human Services | | | | <u>1,913,211</u> |
| National Endowment for the Humanities | | | | |
| Pass-Through Programs From: | | | | |
| Arts Midwest | 45.024 | | eGRANT file#24182 | 20,000 |
| Total National Endowment for the Humanities | | | | <u>20,000</u> |
| Total Expenditures of Federal Awards | | | | <u>\$ 28,704,421</u> |

Note A. Basis of Presentation:

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

**Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

Commission Chairman,
Members of the County Commission
Bernalillo County and
Hector H. Balderas, State Auditor

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information and the budgetary comparison of the general fund of Bernalillo County, New Mexico (County), as of and for the year ended June 30, 2008, and have issued our report thereon dated December 6, 2008. We have also audited the financial statements of each of the County's nonmajor governmental, nonmajor enterprise funds, internal service fund and the fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements and schedules and the respective budgetary comparison of each governmental fund and enterprise fund as of and for the year ended June 30, 2008, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

Commission Chairman,
Members of the County Commission
Bernalillo County and
Hector H. Balderas, State Auditor

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as 01-10, 06-01, 07-01, 07-02, 08-01, 08-02 and 08-03.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 07-03, 07-05, 07-07, 07-08, 08-01, 08-05 and 08-06.

Commission Chairman,
Members of the County Commission
Bernalillo County and
Hector H. Balderas, State Auditor

We noted certain matters that are required to be reported under *Government Auditing Standards, January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978 and Section 2.2.2.9 (c) of the NMAC, which are described in the accompanying schedule of findings and questioned costs as findings 02-06 and 08-04.

The County's responses to findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of County management, the Office of the State Auditor, Government Finance Officers Association, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mess Adams LLP

Albuquerque, New Mexico
December 6, 2008

**Report on Compliance
With Requirements Applicable to Each Major
Program and on Internal Control Over
Compliance in Accordance With
OMB Circular A-133**

Commission Chairman,
Members of the County Commission
Bernalillo County and
Hector H. Balderas, State Auditor

Compliance

We have audited the compliance of Bernalillo County, New Mexico (County), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed other instances

Commission Chairman,
Members of the County Commission
Bernalillo County and
Hector H. Balderas, State Auditor

of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 07-03, 07-05, 07-07, 07-08, 08-05 and 08-06.

Internal Control over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies. We did not identify any deficiencies that we considered to be a material weakness.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the

Commission Chairman,
Members of the County Commission
Bernalillo County and
Hector H. Balderas, State Auditor

accompanying schedule of findings and questioned costs at items 07-03, 07-05, 07-07, 07-08, 08-05 and 08-06 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questions costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of County management, the Office of the State Auditor, GFOA, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mess Adams LLP

Albuquerque, New Mexico
December 6, 2008

COUNTY OF BERNALILLO, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2008

Findings From Year Ended June 30, 2007:

Current Status:

| | |
|---|----------------------|
| 01-10 Accounts Receivable Collections- Solid Waste | Repeated and Updated |
| 02-06 State Auditor Required Schedule | Repeated and Updated |
| 05-02 Juvenile Detention Center- Regional Juvenile Detention Center Joint Powers Agreement | Resolved |
| 06-01 Sheriffs Department Currency Evidence Account | Repeated and Updated |
| 07-01 Payroll Controls- Human Resources | Repeated and Updated |
| 07-02 IT Controls | Repeated and Updated |
| 07-03 Income Verification | Repeated and Updated |
| 07-04 Housing Quality Standards Inspections | Resolved |
| 07-05 Rent Calculations | Repeated and Updated |
| 07-06 Reporting | Resolved |
| 07-07 Davis Bacon | Repeated and Updated |
| 07-08 Matching, Earmarking and Level of Effort | Repeated and Updated |

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? x Yes _____ None reported

Non-compliance material to financial statements noted? x Yes _____ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency(s) identified that are not considered to be material weakness(es) x Yes _____ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? x Yes _____ No

Identification of Major Program

| CFDA Number | Name of Federal Program or Cluster |
|-------------|--|
| 14.871 | Section 8 – Housing Choice |
| 10.XXX | High Intensity Drug Trafficking Area (HIDTA) |
| 97.067 | 2005 Homeland Security/Fire Marshalls |
| 93.887 | SV Health Phase II |
| 14.182 | Section 8 - Moderate Rehabilitation |

Dollar threshold used to distinguish between type A and type B programs \$ 861,021

Auditee qualified as low-risk auditee? x Yes _____ No

COUNTY OF BERNALILLO, NEW MEXICO
EXIT CONFERENCE

An exit conference was held on December 10, 2008 and attended by the following:

Audit Committee (Representing the County Commission)

Demesia Padilla, CPA, Chair
Maxwell Kagan, CPA, Secretary
Paulette Becker, CPA, Esq., Member

External Auditors

James Thompson, CPA, Partner
Chris Garner, CPA, Senior Manager

County Personnel

Thaddeus Lucero, County Manager
Daniel J. Mayfield, Deputy County Manager – Budget and Finance
John Dantis, Deputy County Manager – Public Safety
Teresa Byrd, Director of Budget
Kim Mckibben, Solid Waste Director
Lisa Sedillo-White, Director of Purchasing
Jeff P. Lovato, MBA, Director of Accounting
Renetta Torres, Director of Human Resources
Frank J. Marquez, Director of CIP
Betty Valdez, Housing Director
Fidel A. Bernal, CPA, Chief Deputy Treasurer
Ruth Lott, Housing
Bonnie Ulibarri-Romero, CPA, Financial Projects Coordinator, Finance Department
Cindy Torres, Audit Liaison, Finance Department
Mary Salazar, CIP
Anthony Infantino, MBA, Financial Administrator, Finance
Nataliya Rubinchik, MSA, Financial Administrator, Finance
Roger Tannen, Deputy Chief, Emergency Manager
Kevin Kinzie, Special Projects Coordinator
Kathy Krutis, Sheriff's Office
Luz Elva Gonzales, Judicial Operations